

AR22

the sne group

annual report 1974



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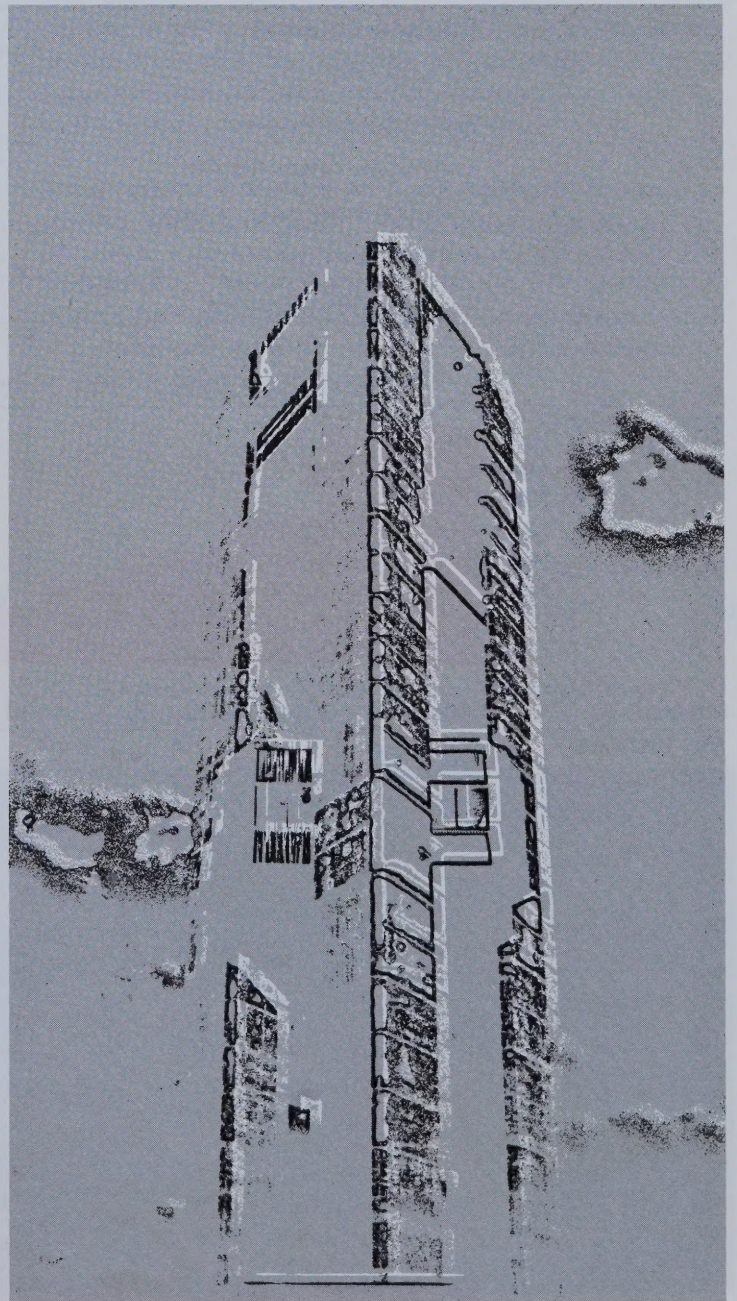
Close to 200 feet high, the control tower at Mirabel International Airport incorporates laboratories, offices, a meteorological centre and microwave relay stations, as well as the control cabin. Project managers of Mirabel, scheduled to open in the Spring of 1975, were International Airport Consultants of Montreal Ltd.

On peut obtenir des exemplaires français du présent rapport en adressant sa demande de la façon suivante:

**Le Secrétaire
Le Groupe SNC
1550 ouest, boul. de Maisonneuve
Montréal, Québec H3G 1N2**

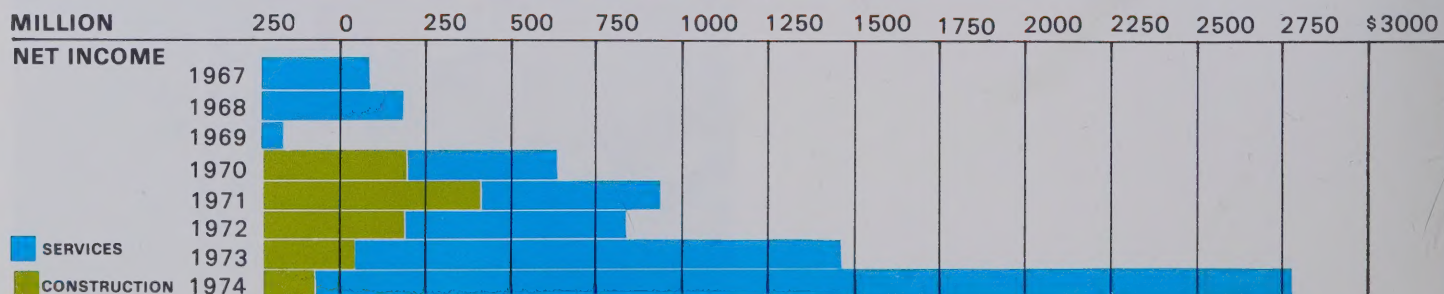
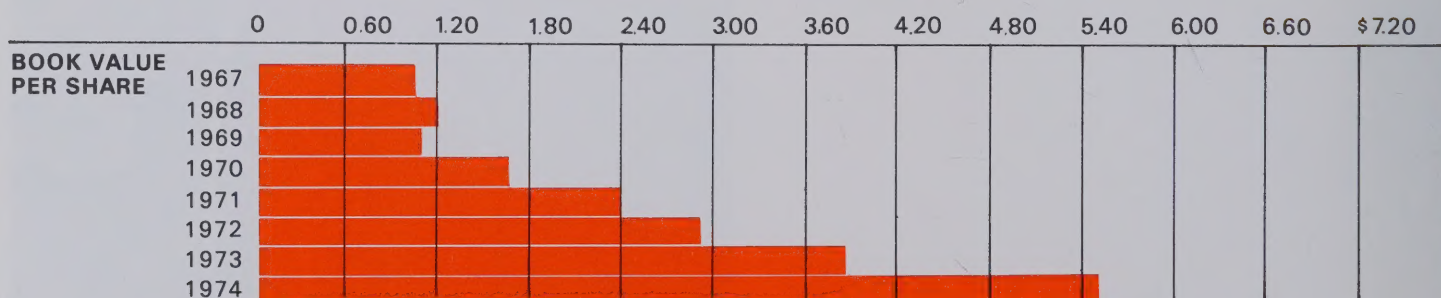
the snec group

annual report 1974



highlights

	1974	1973	INCREASE %
Number of Employees	2400	1700	41.1
Net Sales	\$61,372,000	\$40,737,849	50.6
Net Income for the year	\$ 2,752,060	\$ 1,360,991	102.2
Earnings per common share	\$2.08	\$1.05	98.0
Return on shareholders' equity	44.25%	31.89%	38.7
Working capital	\$ 4,703,403	\$ 3,293,499	42.8
Cash flow from operations	\$ 2,608,606	\$ 1,319,729	97.6



the snc group

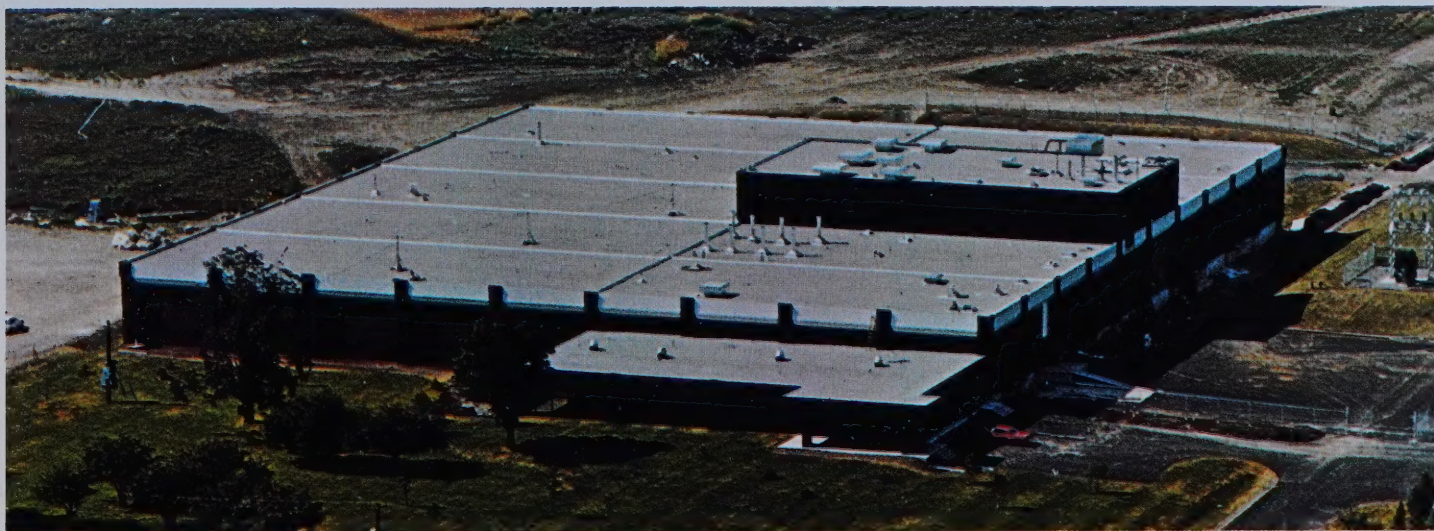
Dynamic growth over the past few years has made The SNC Group Canada's largest and most diversified organization operating in the field of project management, design, procurement and construction. Today the Group's human resources number over 2,400, deployed in some 30 affiliates and subsidiaries throughout Canada and in several countries abroad. Although each associate and subsidiary company undertakes assignments independently, all can draw on the full resources of the Group to meet the demands of a particular project.

Among those technologies in which The SNC Group has achieved national and international recognition are: mining and metallurgy; hydroelectric development and dam design; chemicals, petrochemicals and petroleum; telecommunications; nuclear power; environmental engineering; forest products; airports and harbours; commercial and institutional building; industrial design and socio-economic studies. Increasingly the company assumes complete responsibility for engineering, procurement and construction on projects it undertakes in these fields.

The SNC Group was founded as a small consulting engineering firm in 1911. Today it is evolving into a broadly based professional organization capable of responding to a growing public demand that technology advance in harmony with long-term economic and social goals.

Being multicultural and multilingual, owned by its employees, drawing on specific technologies it has helped to develop in a developing country, yet linking them with the most advanced technologies from abroad, The SNC Group reflects the heterogeneous, flexible and inventive character of Canada itself. In this sense The SNC Group is unique among Canadian companies of its type.

The \$8 million Cadbury-Schweppes-Powell chocolate factory in Whitby, Ontario, was completed on schedule and under budget at the end of 1974.



the snc group

SNC ENTERPRISES LTD.

Holding company.

SURVEYER, NENNIGER & CHÊNEVERT INC.

Founder and main company of The SNC Group, providing comprehensive services in engineering, studies, design, procurement and commissioning.

**CIPM CANADIAN INTERNATIONAL
PROJECT MANAGERS LTD.**

Large turnkey projects in socialist bloc countries.

CANATOM LIMITED

Nuclear power and heavy water.

DEKA PROJEKT MANAGEMENT UND INGENIEUR GmbH

Comprehensive services in Germany.

DEMERS, GORDON, BABY LTD.

Systems engineering and telecommunications.

EXPLORATECH LTD.

Geological, petroleum and mineral investigations.

GENERAL ENGINEERING COMPANY INC. (GECO)

Mining and mineral processing.

HELLENIC POWER CONSULTANTS LTD.

Comprehensive services in Greece.

**INTERNATIONAL AIRPORT CONSULTANTS
OF MONTREAL LTD.**

Airports.

SNC METALTECH LTD.

Inspection and non-destructive testing.

NORTHCAN ENGINEERING MANAGEMENT LTD.

Consortium offering services to the oil industry.

PENTAGON CONSTRUCTION (1969) CO. LTD.

Construction.

REPROTECH LTD.

Printing and reproduction.

SNC COMPUTATION LTD.

Data processing services.

SNC CONSULTANTS LIMITED

Comprehensive services in Ontario.

SNC INTERNATIONAL LTD.

International financing and corporate development.

SNC LIMITED

Comprehensive services in the U.S.A.

SNC (NIGERIA) LIMITED

Comprehensive services in Nigeria.

SNC PROTEIN CONSULTANTS LTD.

Food technology.

SNC-RUST LTD.

Forest products technology.

SNC SERVICES LTD.

Design / procure / construct projects.

SNC TOTTRUP SERVICES LTD.

Comprehensive services in Western Canada.

SNC (U.K.) LIMITED

Comprehensive services in England.

SORÈS INC.

Socio-economic studies; operations and market research.

TERRATECH LTD.

Soil investigations and foundation engineering.

Offices in Canada: Vancouver, Edmonton, Calgary,
Toronto, Montreal, Quebec City, Moncton.

Offices Abroad: Algeria, England, Germany, Greece,
India, Nigeria, Turkey.

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Montreal H3G 1N2

Telephone: (514) 931-2261; Telex 01-20612;
Cable SNCINC

board of directors

André Anctil
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Sorès Inc.

Richard J. Balfour
Project Manager
Northcan Engineering Management Ltd.

Claude Bédard
Director, Non-Ferrous Metals Department
Surveyor, Nenniger & Chênevert Inc.

Lionel H.J. Cook
President
SNC International Ltd.

*Camille A. Dagenais
President
SNC Enterprises Ltd.
and
President
Surveyor, Nenniger & Chênevert Inc.

Roméo Filiatrault
President
Reprotech Ltd.
and
Vice President
Pentagon Construction (1969) Co. Ltd.

Pierre Fortier
Vice President, Corporate Affairs
SNC Enterprises Ltd.

*Jean-Paul Gourdeau
Vice President
SNC Enterprises Ltd.
and
Executive Vice President
Surveyor, Nenniger & Chênevert Inc.

*Members of the Executive Committee

*Jean-Pierre Graveline
Vice President, Finance
SNC Enterprises Ltd.
and
Vice President, Finance
Surveyor, Nenniger & Chênevert Inc.

*Jack Hahn
Vice President, Development
SNC Enterprises Ltd.

*Thomas R. Marien
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Pentagon Construction (1969) Co. Ltd.

André C. Mongrain
Vice President, Finance & Administration
Canatom Limited

Claude Senneville
Vice President
SNC International Ltd.

Raymond A. Surveyer
Vice President, Personnel
Surveyor, Nenniger & Chênevert Inc.

Alexander Taylor
President
Canatom Limited

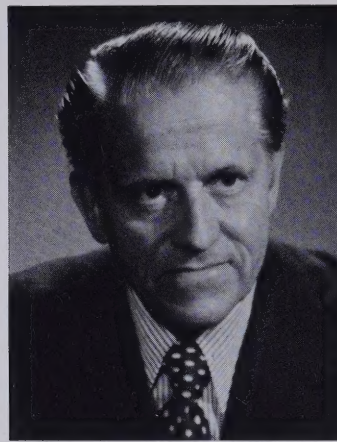
*E. W. John Turcke
Vice President
SNC Enterprises Ltd.

AUDITORS
Clarkson, Gordon & Co.

GENERAL COUNSEL
Riel, Vermette, Ryan, Dunton & Ciaccia

BANKERS
The Royal Bank of Canada
Bank of Montreal

president's report



This has been an excellent year for The SNC Group. We have won several important contracts, established new companies abroad and in parts of Canada where we were not represented before, attracted many highly qualified people and improved our profit picture. At year's end we can truly say that our place of business is the world.

The net income of The SNC Group for 1974 doubled the 1973 figure. This year the company realized a net income, of \$2,752,000, or \$2.08 per share, compared to \$1,361,000 or \$1.05 per share in 1973.

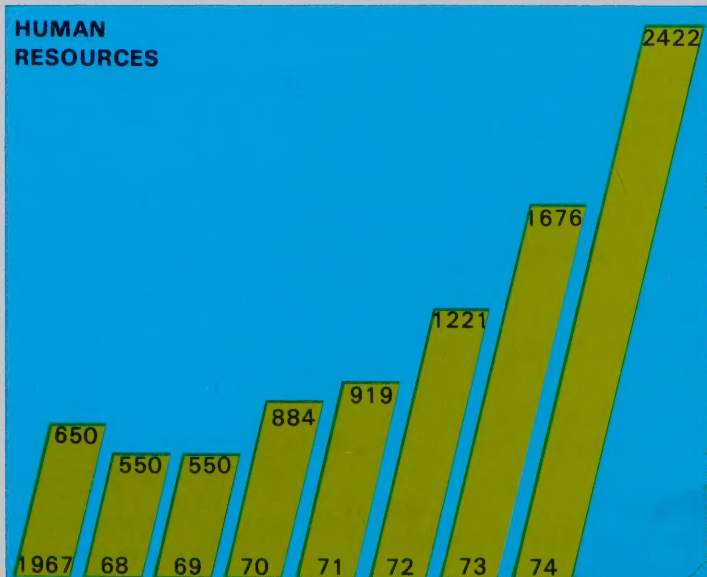
Sales increased by \$21 million from \$40,738,000 in 1973 to \$61,372,000 in 1974. More than \$16 million of this increase came from additional sales of professional services.

SNC's long-range plans, which we developed during the early part of this decade, have not only been achieved but exceeded by a good margin. We have established a solid base of operations; we have diversified our activities and expanded our national and international business to lessen

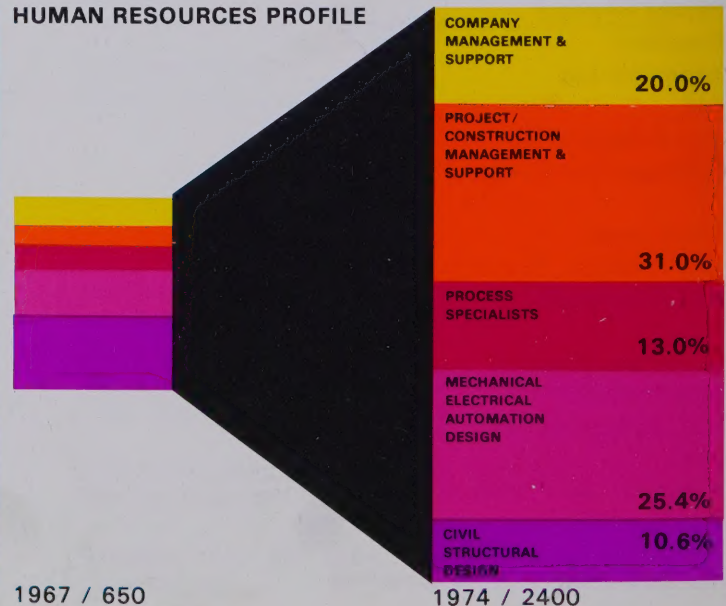
our vulnerability to economic cycles. We have strengthened our capability to compete with the largest international firms in the "engineer-procure-construct" field.

Our plan was to achieve group revenues, in 1974, of \$25 million in professional fees and \$15 million in construction. Results exceed our plan by more than 50 per cent. This performance gives us confidence to enter the second half of the decade with our sights on new and higher goals.

Through our international marketing arm we have continued to diversify our representation and expand markets abroad. In the course of the year The SNC Group worked in Ireland, England, Spain, Germany, Turkey, Algeria, Tunisia, Nigeria, Niger, Mauritius, India, Argentina, Senegal, Australia, Hawaii, Peru, Ecuador, Bolivia, Surinam, Jamaica, Barbados, Mexico, the United States and across Canada, where we carried out projects in Newfoundland, Nova Scotia, New Brunswick, Quebec, Ontario, Alberta and British Columbia. Of the Group's 1974 revenues, 21 per cent came from international work, 53 per cent from Quebec, and 26 per



HUMAN RESOURCES PROFILE



cent from the rest of North America. Although the percentage of international business has decreased slightly, the dollar value has increased appreciably.

Both the percentage and the dollar value of North American business outside Quebec have risen sharply, thus achieving one of our principal goals for 1974. Our chief accomplishment was our penetration of the U.S. market through the establishment of an American subsidiary, SNC Limited. Projects totalling \$225 million in capital value were obtained in the United States.

Another major objective was the formation of a joint company in Africa. In 1974, SNC (Nigeria) Ltd. was created, in partnership with the Government of the Midwest State of Nigeria.

Through a concentrated effort we have made a significant marketing breakthrough in Latin America, and we foresee an increasing number of projects there in the next few years.

Creation of a joint venture with Alcan Engineering Services, known as AES-SNC Projects and providing engineering and project management to the world-wide aluminum industry, likewise reflects The SNC Group's growing supply of expertise and expanded geographical coverage.

In Canada we moved into the expanding markets of the West and North-West. Early in the year Tottrup Engineering, a leading Alberta firm operating in the fields of petroleum, pipelines, oil and gas, joined The SNC Group to form a new company, SNC Tottrup Services Ltd., with offices in Edmonton and Calgary.

The SNC Group is currently at work on projects with a total capital value of \$2.2 billion. Of this figure, \$1.8 billion represents projects for which we are providing "engineer-procure-construct" services. This represents an increase of more than \$1 billion over 1973. We think that work undertaken in 1974 proves that we have achieved our aim of becoming Canada's leading "engineer-procure-construct" company.

Aerial view of Glace Bay, N.S., heavy water plant. The 400 ton per year plant was rehabilitated by Canatom.



Among the more outstanding new assignments were the Canada-France-Hawaii Telescope, a \$200 million zinc smelter for Asarco in the United States, studies for a \$200 million polyethylene plant in Alberta, a \$25 million aromatics plant for Sun Oil in Ontario, a nation-wide emissions inventory for Environment Canada and a sewage pumping station, to be North America's largest, serving the Montreal Urban Community. We began work on a 400,000 ton per year cement plant expansion in Jamaica, a ferro-alloy plant in Quebec and the La Grande 3 site in the James Bay Development Project.

A team led by International Airport Consultants of Montreal (CAIM) obtained a contract for a \$13 million airport expansion in Barbados. SNC-Rust Ltd. undertook projects for Irving Pulp & Paper, The Price Company Limited, Consolidated Bathurst and Rolland Paper. Canatom began work on the \$600 million Lepreau Nuclear Power Station and, in one of its joint ventures, on the \$350 million* La Prade heavy water plant. Through Northcan Engineering Management Limited, a consortium of major engineering and construction

companies, we are providing preliminary construction management services for the Mackenzie Valley gas pipeline.

Less buoyancy was shown in our construction activities. Owing to difficulties in the industry this sector showed a loss of \$189,000 at the end of June. At year's end this was reduced to \$115,000. Our management team was strengthened, and efforts are now being made to diversify our construction market throughout Canada. A new strategy of avoiding high risk contracts and concentrating on obtaining construction management assignments has already met with a measure of success. We feel confident that this sector will show continued improvement in 1975.

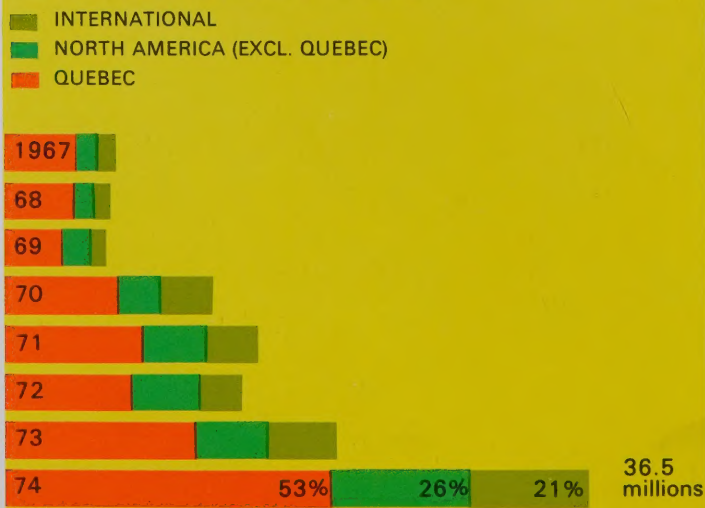
In 1974 The SNC Group's sales doubled and our human resources increased from 1,700 to 2,400. To meet the challenges of this rapid growth, we have reinforced our existing strong management team, bearing in mind the qualities of technical excellence and project management experience which have made The SNC Group a leader in its field.

In line with our belief that ours is and should remain a multicultural company operating from a Canadian base, we recruited a very high calibre of people from around the world. This effort has broadened our expertise — especially in the petrochemical, process, and engineer-procure-construct fields, thus substantially adding to an international reputation already well established.

With our targets for the first half of the decade surpassed, in 1974 we revised our corporate plan for the period from 1975 to 1980 and established new goals and objectives.

During the next five years we see the "engineer-procure-construct" approach as the key to growth. Turnkey capability will be imperative. The spearhead of this approach will continue to be our product divisions, which remain the cornerstone for product diversification throughout the world. We foresee subsidiaries exerting a synergistic influence on the whole Group.

DISTRIBUTION OF CONSULTING REVENUES BY GEOGRAPHIC AREA



*(In 1974 dollars.)

Regional offices, serving geographical areas both in North America and overseas, appear to be the most promising source of increased business. To set up such offices, more joint ventures will be undertaken. We also expect to participate increasingly in joint ventures to handle large projects or to give us added strength in new product lines.


Foreign marketing will broaden and accelerate. Our central marketing organization will be strengthened to plan, support and monitor the efforts of the whole Group.

So that our reputation will grow with our size, we are committed to maintaining our strong emphasis on quality assurance.

Finally, in the next five years we are planning to diversify and strengthen top management, to ensure a stable, orderly and future-oriented pattern of growth.

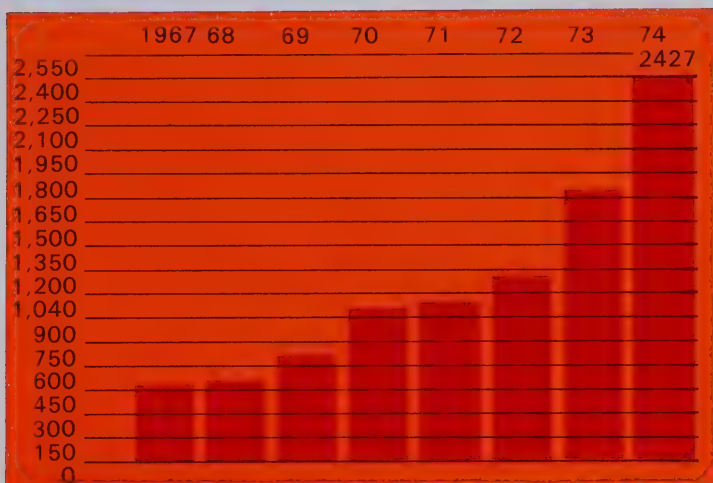
Although current pressures on the world economy might give some cause for alarm, we have not as yet felt the

effects of retrenchment in certain sectors and countries. We have, however, made contingency plans to cover such an eventuality. In view of our substantial backlog of \$68.8 million in professional fees and \$33.4 million in construction, we feel confident that The SNC Group will continue to expand and diversify, both nationally and internationally, over the next few years.



C.A. Dagenais
President

**PROJECT MANAGEMENT CONTRACTS:
CUMULATIVE CAPITAL COST**



Clarkson, Gordon & Co.
Chartered Accountants

630 Dorchester Blvd. W., Montreal, Canada H3B 1T9

St. John's Halifax Saint John Quebec Montreal
Ottawa Toronto Hamilton Kitchener London
Windsor Thunder Bay Winnipeg Regina Calgary
Edmonton Vancouver Victoria

Arthur Young, Clarkson, Gordon & Co
United States—Brazil

Telephone (514) 875-6060

AUDITORS' REPORT

To the Shareholders of
SNC Enterprises Ltd.:

We have examined the consolidated balance sheet of SNC Enterprises Ltd. and its subsidiary companies as at December 31, 1974 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974, and the results of their operations and changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Canada,
February 12, 1975.

Clarkson, Gordon & Co.

Chartered Accountants

the snc group

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1974

INCOME	1974	1973
Sales of services —		
Professional fees	\$37,289,914	\$21,033,933
Construction	24,082,086	19,703,916
	61,372,000	40,737,849
Cost of services rendered —		
Professional fees	18,737,265	11,064,509
Construction	23,295,751	18,676,062
	42,033,016	29,740,571
Gross income	19,338,984	10,997,278
Administrative, selling and general expenses	13,595,651	8,217,519
Income before income taxes	5,743,333	2,779,759
Income taxes	2,991,273	1,418,768
Net income for the year	\$ 2,752,060	\$ 1,360,991
Earnings per common share	\$ 2.08	\$ 1.05
RETAINED EARNINGS	1974	1973
Retained earnings, beginning of the year	\$3,403,953	\$ 2,274,981
Net income for the year	2,752,060	1,360,991
	6,156,013	3,635,972
Dividends paid	395,722	232,019
Retained earnings, end of the year	\$5,760,291	\$ 3,403,953

See accompanying notes

the snc group

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1974

ASSETS	1974	1973
Current:		
Cash	\$ 148,621	\$ 442,403
Short-term deposits	1,750,000	2,200,000
Accounts receivable	11,393,100	6,024,336
Contracts in progress at estimated billing value	4,249,988	2,733,760
Equity in a joint venture	494,221	505,172
<i>Total current assets</i>	18,035,930	11,905,671
Investments in corporate joint ventures (note 1b)	239,024	155,656
Fixed assets at cost less accumulated depreciation	1,347,205	832,630
Excess of cost of investments in subsidiary companies over the fair value of underlying net assets at acquisition (note 1a, d)	1,604,191	871,936
	\$21,226,350	\$13,765,893

See accompanying notes

LIABILITIES AND SHAREHOLDERS' EQUITY

Current:

Bank loans (note 2)	\$ 620,000	\$ 210,000
Accounts payable and accrued charges	5,571,370	3,169,660
Income and other taxes payable	2,705,113	1,738,717
Instalments on long-term debt due within one year (note 3)	290,000	40,000
Deferred income	910,253	329,116
<i>Total current liabilities exclusive of deferred income taxes</i>	10,096,736	5,487,493
Deferred income taxes	3,235,791	3,124,679
<i>Total current liabilities including deferred income taxes</i>	13,332,527	8,612,172

Long-term debt (note 3)

310,000 100,000

Deferred income

— 200,000

Shareholders' equity:

Share capital —		
<i>Authorized:</i>		
100,000 6% non-cumulative preferred shares of \$10 par value each, redeemable at the amount paid up thereon		
1,500,000 common shares without par value		
<i>Issued and outstanding:</i>		
1,377,943 common shares (1,301,418 in 1973)	1,823,532	1,449,768
Retained earnings	5,760,291	3,403,953
Total shareholders' equity	7,583,823	4,853,721
	\$21,226,350	\$13,765,893

On behalf of the Board

C.A. Dagenais, Director

J.P. Graveline, Director

the snc group

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 1974

	1974	1973
Source of funds:		
Operations —		
Net income for the year	\$ 2,752,060	\$ 1,360,991
Add (deduct) items not involving a flow of funds:		
Depreciation and amortization	338,251	228,388
(Decrease) in non-current portion of deferred income	(200,000)	(200,000)
Share in earnings of corporate joint ventures	(281,705)	(69,650)
<i>Total funds from operations</i>	2,608,606	1,319,729
Dividends from corporate joint ventures	198,337	14,500
Issuance of capital stock	373,764	43,559
	3,180,707	1,377,788
Application of funds:		
Purchase of a business —		
Fixed assets acquired	15,940	—
Excess of cost of investment in subsidiary company over the fair value of underlying net assets at acquisition	775,000	—
Total consideration	790,940	—
Less long term portion of balance of purchase price	250,000	—
	540,940	—
Increase in investments in joint ventures	—	17,821
Repayments of long-term debt	40,000	40,000
Purchase of fixed assets — net	794,141	367,177
Dividends paid	395,722	232,019
	1,770,803	657,017
Increase in excess of current assets over current liabilities including deferred income taxes	1,409,904	720,771
Increase in deferred income taxes	111,112	472,441
Increase in excess of current assets over current liabilities exclusive of deferred income taxes	1,521,016	1,193,212
Working capital, beginning of year, exclusive of deferred income taxes	6,418,178	5,224,966
Working capital, end of year, exclusive of deferred income taxes	\$ 7,939,194	\$ 6,418,178

See accompanying notes

the snc group

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1974

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The consolidated financial statements are comprised of the accounts of SNC Enterprises Ltd. and of all its subsidiary companies including those of SNC-Tottrup Services Ltd., a company formed to acquire in May 1974, the net assets and the business of an Alberta engineering firm for a total consideration of \$790,940. Of this amount, \$775,000 was added to excess of cost of investment in subsidiary company over the fair value of underlying net assets at acquisition.

b) Accounting for joint ventures

The company and its subsidiary companies use the equity basis of accounting for their investments in joint ventures, whereby investments are carried on the balance sheet at cost plus their share of income since acquisition, less dividends received.

The company's share of the revenue, expenses and income taxes of joint ventures has been included in the consolidated statement of income.

c) Revenue Recognition on Contracts

Revenue on contracts is recognized on a percentage of completion basis. However, anticipated losses are provided for in the accounts. The company and its subsidiaries recognize expected settlements of claims in determining revenues when particular circumstances of a contract and the nature of the related claims warrant it.

d) Amortization of Excess of Cost of Investments in Subsidiary Companies over the Fair Value of Underlying Net Assets at Acquisition

This excess is amortized over a period of 40 years.

2. BANK LOANS

Bank loans are guaranteed by a general assignment of accounts receivable.

3. LONG TERM DEBT

	1974	1973
Balance of purchase price of the assets and business of an engineering firm, 10%, payable by equal instalments in 1975 and 1976	\$500,000	\$ —
Balance of purchase price of investments, 6%, payable \$25,000 annually	75,000	100,000
7% and 7½% mortgages, payable \$15,000 annually	<u>25,000</u>	<u>40,000</u>
	600,000	140,000
Less portion shown in current liabilities	<u>290,000</u>	<u>40,000</u>
	<u>\$310,000</u>	<u>\$100,000</u>

4. INCOME TAXES

A subsidiary company has paid during the year, but on advice from counsel has challenged 1972 income tax assessments of \$296,000 (including interest of \$46,000 to date of assessments) refusing the cash basis of accounting for the establishment of revenue for years 1966 to 1970. This amount, excluding interest, had already been deducted from revenue as an income tax expense in past years and was provided for as deferred income taxes at December 31, 1973.

5. STATUTORY INFORMATION

	1974	1973
a) Remuneration of Directors and Officers		
Number of Directors	<u>17</u>	<u>18</u>
Number of Officers	<u>12</u>	<u>11</u>
Directors who are also officers	<u>7</u>	<u>9</u>

Remuneration of the directors and officers as directors and officers of the company

<u>NIL</u>	<u>NIL</u>
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Remuneration of the directors as officers of subsidiary companies (principally Surveyer, Nenniger & Chênevert Inc.)

<u>\$ 994,000</u>	<u>\$ 763,000</u>
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b) Depreciation and Amortization and Interest

Depreciation and Amortization

<u>\$ 338,251</u>	<u>228,388</u>
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Interest — long term debt

<u>\$ 40,500</u>	<u>\$ 9,900</u>
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6. PENSION PLAN

As established by actuarial study, the past service obligation of the company under the pension plan to the benefit of its employees and those of its subsidiaries amounted to \$797,000 and is being amortized over a period of 17 years from January 1, 1974, date of inception of the plan.

7. COMMITMENTS

At December 31, 1974, commitments of subsidiary companies under long term leases for office premises where as follows:

- \$1,300,000 annually until 1977
- \$1,000,000 annually until 1979
- \$ 862,000 annually until 1987

A current project of Deka Projekt Management und Ingenieur GmbH is the Juist to Emden section of a 36" pipeline to bring North Sea gas to West Germany from the Ekofisk Field. Here a barge lays the undersea pipe.

Scheduled for completion in the summer of 1975, the asbestos mill now under construction for United Asbestos in Midlothian Township, Ontario, will produce 100,000 tons of fibre annually.



Project management of Canada's first polypropylene plant was a major SNC Group project in 1974. Design, procurement and construction services were provided to Hercules Canada Limited for the 150 million pound per year plant in Varennes, Quebec.

the snc group

EIGHT YEAR OPERATING AND STATISTICAL SUMMARY*

	1974	1973	1972	1971	1970	1969	1968	1967
Number of Employees	2,400	1,700	1,200	900	880	550	550	650
Net Sales								
— Professional fees	\$37,289,914	\$21,033,933	\$14,836,372	\$16,147,150	\$13,352,552	\$6,867,720	\$7,094,699	\$7,423,306
— Construction	24,082,086	19,703,916	15,263,457	10,734,942	5,016,217	193,032	—	—
	\$61,372,000	\$40,737,849	\$30,099,829	\$26,882,092	\$18,368,769	\$7,060,752	\$7,094,699	\$7,423,306
Income before income taxes								
— Professional fees	\$ 5,968,525	\$ 2,728,703	\$ 1,302,342	\$ 1,276,877	\$ 1,387,853	\$ 20,158	\$ 436,225	\$ 411,115
— Construction	(225,192)	51,056	325,740	754,944	217,618	(62,871)	—	—
	\$ 5,743,333	\$ 2,779,759	\$ 1,628,082	\$ 2,031,821	\$ 1,605,471	\$ (42,713)	\$ 436,225	\$ 411,115
Income taxes								
— Professional fees	\$ 3,100,873	\$ 1,390,768	\$ 659,633	\$ 724,885	\$ 963,969	\$ 33,792	\$ 278,409	\$ 323,778
— Construction	(109,600)	28,000	158,000	391,000	83,000	—	—	—
	\$ 2,991,273	\$ 1,418,768	\$ 817,633	\$ 1,115,885	\$ 1,046,969	\$ 33,792	\$ 278,409	\$ 323,778
Net income for the year								
— Professional fees	\$ 2,867,652	\$ 1,337,935	\$ 642,709	\$ 551,992	\$ 423,884	\$ (13,634)	\$ 157,816	\$ 87,337
— Construction	(115,592)	23,056	167,740	363,944	134,618	(62,871)	—	—
	\$ 2,752,060	\$ 1,360,991	\$ 810,449	\$ 915,936	\$ 558,502	\$ (76,505)	\$ 157,816	\$ 87,337
Earnings per common share	\$2.08	\$1.05	\$0.63	\$0.77	\$0.51	\$(0.07)	\$0.14	\$0.08
Return on shareholders' equity	44.25%	31.89%	24.89%	39.36%	36.20%	(5.88)%	12.56%	7.73%
Book value per share	\$5.50	\$3.73	\$2.86	\$2.38	\$1.66	\$1.15	\$1.22	\$1.07
Common shares outstanding	1,377,943	1,301,418	1,288,492	1,188,732	1,095,106	1,095,106	1,095,106	1,095,106
Shareholders' equity	\$ 7,583,823	\$ 4,853,721	\$ 3,681,190	\$ 2,831,818	\$ 1,822,256	\$1,263,754	\$1,340,259	\$1,172,937
Working capital	\$ 4,703,403	\$ 3,293,499	\$ 2,572,728	\$ 1,607,161	\$ 706,034	\$ 410	\$ 309,367	\$ 253,355
Cash flow from operations	\$ 2,608,606	\$ 1,319,729	\$ 1,010,086	\$ 1,115,893	\$ 1,229,400	\$ 30,688	\$ 323,855	\$ 279,238

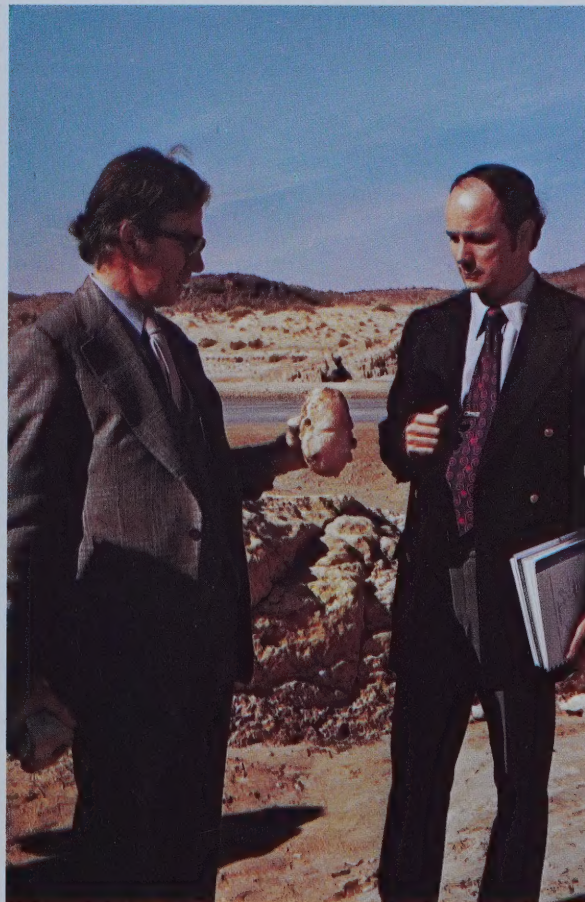
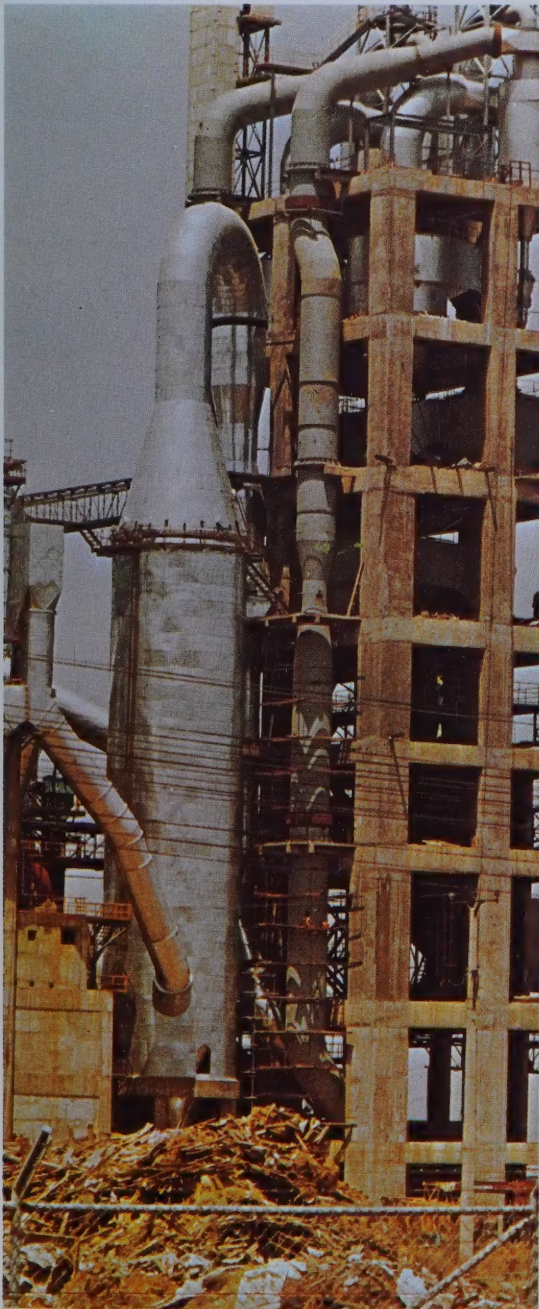
*1967, INCORPORATION OF SNC ENTERPRISES LTD.

Installation of turbine manifolds for three of six 130 MW units in the underground powerhouse, Idikki Hydroelectric Project, Kerala State, India. With three dams, one of them a 560 ft. high arch, it is one of India's largest power developments.

Kiln erection proceeds at the Cinkur zinc complex near Kayseri, Turkey. When this \$50 million, EDC-supported project is completed in early 1976 it will have generated the export of some \$25 million worth of Canadian goods and services.



Part of \$55 million expansion project at Canadian Electrolytic Zinc, Valleyfield, Quebec, showing leach thickener tanks. Scheduled for start-up in July 1975, new facilities will increase production to 620 tons a day.



Central to the integrated flood control and regional development study carried out for CIDA in Kairouan, Tunisia, is a 60 m. high dam at Sidi Saad to control the Zeroud River. Canada's ambassador, Jacques Gignac, and an SNC representative examine a quartz sample on a recent visit to the site.

Late construction view of part of the 1 million ton-per-year Meftah Cement Plant in Algeria, showing the pre-heating tower. The SNC Group was responsible for project management.

Towers of heavy water plant now under construction at Glace Bay, N.S. Rehabilitation of this 400 ton per year plant was a Canatom project.

